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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. John Nakahata
Office of Chairman Hundt
Federal Communications Commission
1919 M Street, NW, Room 814
Washington, D.C. 20037

Re: CC Dkt. No. 96-98

Dear Mr. Nakahata:

At the meeting with Cindy Schonhaut last week, there was some discussion of how access charge reform was "overhanging" interconnection negotiations. The concern was that incumbent LECs ("ILECs") may be harmed by the ability of a competitive LEC ("CLEC") to "arbitrage" access. The CLEC would configure its own "local calling area" differently than the ILECs local calling area is configured and terminate as local traffic for a CLEC customer what is toll traffic for an ILEC customer. Ms. Schonhaut informed you that in ICG's experience, the ILECs were preserving the integrity of their local calling areas by making sure that the ILEC retained its authority to bill terminating traffic in accordance with the ILEC's service area configuration no matter how the CLEC billed its customer.

The enclosed provisions of the interconnection agreement between Ameritech and ICG illustrate these principles. Section 1.40 defines "Local Traffic" as "local service area calls as defined by the [Ohio] Commission." The definition makes clear that a "local service area" will be as defined by the Ohio Commission. Either party, Ameritech or ICG, is free to seek whatever local service area it wants from the Ohio Commission. At the same time, Section 5.6.1 makes clear that the parties will pass calling party number ("CPN") (i.e., the phone number of the originating line) to the other party on all calls passed over local/intraLATA trunks. Finally, Section 5.7 makes clear that reciprocal compensation applies for each party's "Local Traffic" originated by the other party's customer (Section 5.7.1) and that "IntraLATA Toll Traffic shall continue to be governed by . . . applicable federal and state tariffs" (Section 5.7.3). It is thus clear that no matter how the CLEC, in this case ICG, bills its end user customer, ICG will be billed by Ameritech in accordance with Ameritech's delineation of Ameritech's service area when ICG terminates traffic on Ameritech's network. The CPN will be used by the terminating carrier to classify

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the call as local or toll according to its own local or toll service area configuration. Ameritech and ICG is each free to configure its own local and toll calling area for billings its customers as it sees fit. But this configuration cannot defeat the manner in which the other party configures its local and toll billing areas, including for purposes of inter-carrier billing.

Please feel free to contact me if you have any questions about this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Albert H. Kramer".

Albert H. Kramer

AHK/rw
Enclosure
cc: Ms. Cindy Schonhaut

1.35 "Interim Telecommunications Number Portability" or "INP" is As Described in the Act.

1.36 "InterLATA" is As Defined in the Act.

1.37 "Integrated Services Digital Network" or "ISDN" means a switched network service that provides end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN (BRI-ISDN) provides for a digital transmission of two 64 kbps bearer channels and one 16 kbps data channel (2B+D).

1.38 "IntraLATA Toll Traffic" means all intraLATA calls other than Local Traffic calls.

1.39 "Local Access and Transport Area" or "LATA" is As Defined in the Act.

1.40 "Local Traffic" means local service area calls as defined by the Commission.

1.41 "Local Exchange Carrier" or "LEC" is As Defined in the Act.

1.42 "Local Loop Transmission" or "Loop" means the entire transmission path which extends from the network interface or demarcation point at a Customer's premises to the Main Distribution Frame or other designated frame or panel in a Party's Central Office which serves the Customer. Loops are defined by the electrical interface rather than the type of facility used.

1.43 "Losses" means any and all losses, costs (including court costs), claims, damages (including fines, penalties, and criminal or civil judgments and settlements), injuries, liabilities and expenses (including attorneys' fees).

1.44 "Main Distribution Frame" means the distribution frame of the Party providing the Loop used to interconnect cable pairs and line and trunk equipment terminals on a switching system.

1.45 "Meet-Point Billing" means the process whereby each Party bills the appropriate tariffed rate for its portion of a jointly provided Switched Exchange Access Service as agreed to in the Agreement for Switched Access Meet Point Billing.

1.46 "Network Element" is As Defined in the Act.

1.47 "North American Numbering Plan" or "NANP" means the numbering plan used in the United States that also serves Canada, Bermuda, Puerto Rico and certain Caribbean Islands. The NANP format is a 10-digit number that consists of a 3-digit NPA

5.6 Measurement and Billing.

5.6.1 For billing purposes, each Party shall pass Calling Party Number (CPN) information on each call carried over the Local/IntraLATA Trunks; provided that all calls exchanged without CPN information shall be billed as either Local Traffic or IntraLATA Toll Traffic in direct proportion to the minutes of calls exchanged with CPN information.

5.6.2 Measurement of billing minutes shall be in actual conversation seconds.

5.7 Reciprocal Compensation Arrangements -- SECTION 251(b)(5).

5.7.1 Reciprocal Compensation applies for transport and termination of Local Traffic billable by Ameritech or ICG which a Telephone Exchange Service Customer originates on Ameritech's or ICG's network for termination on the other Party's network.

5.7.2 The Parties shall compensate each other for transport and termination of Local Traffic at the rate provided in the Pricing Schedule.

5.7.3 The Reciprocal Compensation arrangements set forth in this Agreement are not applicable to Switched Exchange Access Service. All Switched Exchange Access Service and all IntraLATA Toll Traffic shall continue to be governed by the terms and conditions of the applicable federal and state tariffs.

5.7.4 Each Party shall charge the other Party its effective tariffed intraLATA FGD switched access rates for the transport and termination of all IntraLATA Toll Traffic.

5.7.5 Compensation for transport and termination of all traffic which has been subject to performance of INP by one Party for the other Party pursuant to Section 13.0 shall be as specified in Section 13.5.

6.0 TRANSMISSION AND ROUTING OF EXCHANGE ACCESS TRAFFIC PURSUANT TO 251(C)(2)

6.1 Scope of Traffic.

Section 6.0 prescribes parameters for certain trunk groups ("Access Toll Connecting Trunks") to be established over the Interconnections specified in Section 4.0 for the transmission and routing of Exchange Access traffic between ICG Telephone Exchange Service Customers and Interexchange Carriers.